

STATE BONDING FUND
INVESTMENT PERFORMANCE REPORT AS OF MAY 31, 2007

	May-07				April-07				March-07					December-06				September-06				Current	Prior Year	3 Years	5 Years
	Allocation			Month	Allocation			Month	Allocation			Quarter	Month	Allocation			Quarter	Allocation			Quarter	Net	Net	Ended	5 Years
	Market Value	Actual	Policy	Net ROR	Market Value	Actual	Policy	Net ROR	Market Value	Actual	Policy	Net ROR	Net ROR	Market Value	Actual	Policy	Net ROR	Market Value	Actual	Policy	Net ROR	Net	Net	6/30/2006	6/30/2006
LARGE CAP DOMESTIC EQUITY																									
Structured Growth																									
Los Angeles Capital	81,112	2.9%	2.8%	4.50%	77,643	2.8%	2.8%	4.40%	74,366	2.8%	2.8%	3.86%	0.72%	80,202	2.8%	2.8%	7.40%	76,653	2.7%	2.8%	1.60%	23.62%	11.12%	N/A	N/A
Total Structured Growth	81,112	2.9%	2.8%	4.50%	77,643	2.8%	2.8%	4.40%	74,366	2.8%	2.8%	3.86%	0.72%	80,202	2.8%	2.8%	7.40%	76,653	2.7%	2.8%	1.60%	23.62%	11.12%	12.01%	-0.32%
Russell 1000 Growth				3.60%				4.71%				1.19%	0.54%				5.93%				3.94%	20.85%	6.12%	8.35%	-0.76%
Structured Value																									
LSV	80,802	2.9%	2.8%	4.03%	77,720	2.9%	2.8%	4.93%	74,050	2.8%	2.8%	2.37%	2.03%	88,774	3.1%	2.8%	8.09%	84,460	3.0%	2.8%	4.90%	26.71%	15.05%	21.14%	12.22%
Russell 1000 Value				3.61%				3.70%				1.24%	1.55%				8.00%				6.22%	24.78%	12.10%	15.70%	6.89%
Russell 1000 Enhanced Index																									
LA Capital	162,482	5.9%	5.6%	3.94%	156,360	5.7%	5.6%	4.77%	149,227	5.6%	5.6%	1.64%	0.67%	168,219	5.8%	5.6%	7.67%	152,896	5.4%	5.6%	3.71%	23.60%	11.58%	N/A	N/A
Russell 1000				3.60%				4.20%				1.21%	1.04%				6.95%				5.06%	22.77%	9.08%	N/A	N/A
S&P 500 Enhanced Index																									
Westridge	172,895	6.3%	5.6%	3.54%	167,075	6.1%	5.6%	4.47%	159,892	6.0%	5.6%	0.75%	1.16%	169,491	5.9%	5.6%	6.86%	163,265	5.8%	5.6%	5.75%	23.14%	8.77%	N/A	N/A
S&P 500				3.49%				4.43%				0.64%	1.12%				6.70%				5.67%	22.63%	8.63%	N/A	N/A
Index																									
State Street	50,066			3.29%	48,464			4.09%	46,555			1.60%	1.54%	59,571			8.03%	56,716			5.78%	24.84%	9.51%	11.47%	2.62%
Total 130/30	50,066	1.8%	1.9%	3.29%	48,464	1.8%	1.9%	4.09%	46,555	1.7%	1.9%	1.60%	1.54%	59,571	2.1%	1.9%	8.03%	56,716	2.0%	1.9%	5.78%	24.84%	9.51%	11.47%	2.62%
S&P 500				3.49%				4.43%				0.64%	1.12%				6.70%				5.67%	22.63%	8.63%	11.22%	2.49%
TOTAL LARGE CAP DOMESTIC EQUITY	547,356	19.9%	18.8%	3.85%	527,262	19.3%	18.8%	4.58%	504,090	18.8%	18.8%	1.79%	1.11%	566,257	19.5%	18.8%	7.50%	533,990	19.0%	18.8%	4.49%	24.17%	10.95%	13.63%	3.95%
S&P 500				3.49%				4.43%				0.64%	1.12%				6.70%				5.67%	22.63%	8.63%	11.22%	2.49%
SMALL CAP DOMESTIC EQUITY																									
Manager-of-Managers																									
SEI	183,640	6.7%	6.3%	4.63%	175,613	6.4%	6.3%	3.00%	170,471	6.4%	6.3%	2.43%	1.12%	191,443	6.6%	6.3%	8.82%	175,728	6.3%	6.3%	-0.01%	20.11%	13.58%	18.20%	7.84%
Russell 2000 + 200bp				4.27%				1.96%				2.45%	1.24%				9.43%				0.94%	20.32%	16.86%	21.06%	10.38%
TOTAL SMALL CAP DOMESTIC EQUITY	183,640	6.7%	6.3%	4.63%	175,613	6.4%	6.3%	3.00%	170,471	6.4%	6.3%	2.43%	1.12%	191,443	6.6%	6.3%	8.82%	175,728	6.3%	6.3%	-0.01%	20.11%	13.58%	18.20%	7.86%
Russell 2000				4.10%				1.80%				1.95%	1.07%				8.90%				0.44%	18.17%	14.58%	18.70%	8.50%
INTERNATIONAL EQUITY																									
Large Cap - Active																									
Capital Guardian	118,742	4.3%	4.0%	3.71%	114,032	4.2%	4.0%	3.34%	110,543	4.1%	4.0%	3.10%	1.82%	124,666	4.3%	4.0%	8.53%	114,737	4.1%	4.0%	5.02%	25.94%	28.07%	20.99%	6.90%
LSV	112,306	4.1%	4.0%	1.95%	110,153	4.0%	4.0%	3.96%	105,976	4.0%	4.0%	5.11%	2.77%	123,882	4.3%	4.0%	10.66%	111,972	4.0%	4.0%	6.24%	30.96%	27.09%	N/A	N/A
Total Large Cap - Active	231,048	8.4%	8.0%	2.84%	224,186	8.2%	8.0%	3.64%	216,519	8.1%	8.0%	4.09%	2.28%	248,549	8.6%	8.0%	9.58%	226,709	8.1%	8.0%	5.62%	28.41%	27.66%	21.92%	12.63%
MSCI EAFE - 50% Hedged				2.67%				3.87%				4.03%	2.41%				9.06%				4.87%	26.89%	26.72%	22.56%	6.89%
Small Cap - Value																									
Lazard	28,078	1.0%	1.0%	0.60%	27,915	1.0%	1.0%	3.70%	26,925	1.0%	1.0%	2.39%	2.32%	30,538	1.1%	1.0%	14.71%	26,635	0.9%	1.0%	0.72%	23.41%	23.65%	28.06%	N/A
Citigroup Broad Market Index < \$2BN				1.70%				4.10%				7.05%	3.20%				11.41%				1.53%	28.19%	29.28%	32.40%	N/A
Small Cap - Growth																									
Vanguard	30,255	1.1%	1.0%	2.44%	29,534	1.1%	1.0%	3.87%	28,434	1.1%	1.0%	6.59%	3.18%	30,971	1.1%	1.0%	12.63%	27,500	1.0%	1.0%	3.73%	32.50%	29.24%	32.39%	N/A
Citigroup Broad Market Index < \$2BN				1.70%				4.10%				7.05%	3.20%				11.41%				1.53%	28.19%	29.28%	32.40%	N/A
TOTAL INTERNATIONAL EQUITY	289,380	10.5%	10.0%	2.58%	281,635	10.3%	10.0%	3.67%	271,878	10.2%	10.0%	4.17%	2.38%	310,058	10.7%	10.0%	10.36%	280,844	10.0%	10.0%	4.93%	28.28%	27.35%	23.83%	8.67%
MSCI EAFE - 50% Hedged				2.67%				3.87%				4.03%	2.41%				9.06%				4.87%	26.89%	26.72%	22.56%	6.89%
DOMESTIC FIXED INCOME																									
Core Bond																									
Western Asset	440,093	16.0%	17.1%	-0.75%	443,664	16.3%	16.8%	0.68%	438,560	16.4%	16.8%	1.61%	0.01%	545,139	18.8%	19.0%	2.01%	531,335	18.9%	19.0%	4.45%	8.19%	-0.90%	7.36%	8.59%
Lehman Aggregate				-0.76%				0.54%				1.50%	0.00%				1.24%				3.81%	6.44%	-0.81%	2.05%	4.97%
Mortgage Backed																									
Hyperion	122,579	4.5%	4.4%	-0.50%	123,321	4.5%	4.4%	0.37%	122,493	4.6%	4.4%	N/A	0.92%	-	0.0%	0.0%	N/A	-	0.0%	0.0%	N/A	N/A	N/A	N/A	N/A
Lehman Global Aggregate (US Securitized Portion)												1.89%													
Core Plus/Enhanced																									
Clifton Group	121,775	4.4%	4.4%	-1.00%	122,984	4.5%	4.4%	0.59%	121,664	4.5%	4.4%	1.91%	0.12%	124,064	4.3%	4.4%	0.66%	122,558	4.4%	4.4%	N/A	N/A	N/A	N/A	N/A
Prudential	122,092	4.4%	4.4%	-0.53%	122,743	4.5%	4.4%	0.63%	121,325	4.5%	4.4%	1.49%	-0.02%	124,236	4.3%	4.4%	1.88%	121,190	4.3%	4.4%	N/A	N/A	N/A	N/A	N/A
Total Core Plus/Enhanced	243,867	8.9%	8.8%	-0.77%	245,727	9.0%	8.8%	0.61%	242,989	9.1%	8.8%	1.70%	0.05%	248,300	8.6%	8.8%	1.27%	243,748	8.7%	8.8%	N/A	N/A	N/A	N/A	N/A
Lehman Aggregate				-0.76%				0.54%				1.50%	0.00%				1.24%				3.81%				
Index																									
Bank of ND	217,243	7.9%	7.7%	-0.90%	219,185	8.0%	8.3%	0.57%	223,715	8.4%	8.3%	1.37%	-0.26%	229,327	7.9%	8.3%	1.31%	233,697	8.3%	8.3%	3.10%	5.54%	-1.14%	1.14%	4.90%
Lehman Gov/Credit (1)				-0.86%				0.59%				1.47%	-0.17%				1.04%				3.91%	6.23%	-1.52%	1.04%	4.78%
BBB Average Quality																									
Wells Capital (formerly Strong)	437,584	15.9%	17.1%	-0.85%	441,650	16.2%	16.8%	0.90%	435,559	16.3%	16.8%	1.74%	-0.60%	543,583	18.8%	19.0%	1.75%	531,191	18.9%	19.0%	4.60%	8.33%	-2.11%	2.63%	N/A
Lehman US Credit BAA				-0.93%				0.90%				1.79%	-0.62%				1.49%				4.80%	8.22%	-2.37%	2.63%	N/A
TOTAL DOMESTIC FIXED INCOME	1,461,366	53.1%	55.0%	-0.78%	1,473,547	54.1%	55.0%	0.69%	1,463,316	54.7%	55.0%	1.57%	-0.14%	1,566,348	54.1%	55.0%	1.70%	1,539,971	54.8%	55.0%	4.28%	7.62%	-1.39%	6.59%	7.79%
Lehman Aggregate (2)				-0.76%				0.54%				1.50%	0.00%				1.24%				3.81%	6.44%	-0.81%	1.84%	5.28%
CASH EQUIVALENTS																									
Bank of ND	269,339	9.8%	10.0%	0.44%	267,968	9.8%	10.0%	0.43%	266,823	10.0%	10.0%	1.32%	0.46%	263,060	9.1%	10.0%	1.32%	277,253	9.9%	10.0%	1.35%	4.94%	4.50%	2.71%	2.42%
90 Day T-Bill				0.44%				0.44%				1.25%	0.45%				1.26%				1.33%	4.80%	4.00%	2.37%	2.25%
TOTAL BONDING FUND	2,751,081	100.0%	100.0%	0.93%	2,726,025	100.0%	100.0%	1.85%	2,676,577	100.0%	100.0%	1.93%	0.48%	2,897,167	100.0%	100.0%	4.08%	2,807,786	100.0%	100.0%	3.84%	13.24%	5.28%	7.24%	5.20%
POLICY TARGET BENCHMARK				0.80%				1.67%				1.61%	0.56%				3.50%				3.81%	11.88%	4.99%	6.57%	5.10%